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SUBSTITUTE HOUSE BILL 1345

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Cooper, Haigh, Simpson, Dunshee and Ericksen)

READ FIRST TIME 03/05/03.

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AN ACT Relating to creating regional fire protection service authorities; amending RCW 57.90.010, 84.09.030, and 84.52.069; reenacting and amending RCW 84.52.010 and 84.52.052; adding a new section to chapter 84.52 RCW; adding a new chapter to Title 52 RCW; and creating a new section.

- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 <u>NEW SECTION.</u> **Sec. 1.** FINDINGS. The legislature finds that:
 - (1) The ability to respond to emergency situations by many of Washington state's fire protection jurisdictions have not kept up with the state's needs, particularly in urban regions;
 - (2) Providing a fire protection service system requires a shared partnership and responsibility between the federal, state, local, and regional governments and the private sector;
 - (3) There are efficiencies to be gained by regional fire protection service delivery while retaining local control; and
- 16 (4) Timely development of significant projects can best be achieved 17 through enhanced funding options for regional fire protection service 18 agencies, using already existing tax authority to address fire

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- 1 protection emergency service needs and new authority to address 2 critical fire protection projects and emergency services.
- NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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- (1) "Board" means the governing body of a regional fire protection service authority.
- (2) "Regional fire protection service authority" or "authority" means a municipal corporation, an independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, whose boundaries are coextensive with two or more adjacent fire protection jurisdictions and that has been created by a vote of the people under this chapter to implement a regional fire protection service authority plan.
- (3) "Regional fire protection service authority planning committee" or "planning committee" means the advisory committee created under section 3 of this act to create and propose to fire protection jurisdictions a regional fire protection service authority plan to design, finance, and develop fire protection service projects.
- (4) "Regional fire protection service authority plan" or "plan" means a plan to develop and finance a fire protection service authority project or projects, including, but not limited to, specific capital projects, fire and emergency service operations, and preservation and maintenance of existing or future facilities.
- (5) "Fire protection jurisdiction" means a fire district, city, town, port district, or Indian tribe.
- 28 (6) "Regular property taxes" has the same meaning as in RCW 29 84.04.140.
- 30 (7)(a) "Personal property" includes every form of tangible personal 31 property including, but not limited to, all goods, chattels, stock in 32 trade, estates, or crops.
- 33 (b) "Personal property" does not include any personal property used 34 for farming, field crops, farm equipment, or livestock.
- 35 (8) "Improvements to real property" does not include permanent 36 growing crops, field improvements installed for the purpose of aiding

1 the growth of permanent crops, or other field improvements normally not

2 subject to damage by fire.

- NEW SECTION. Sec. 3. PLANNING COMMITTEE FORMATION. Regional fire protection service authority planning committees are advisory entities that are created, convened, and empowered as follows:
 - (1) Any two or more adjacent fire protection jurisdictions may create a regional fire protection service authority and convene a regional fire protection service authority planning committee.
 - (2) Each governing body of the fire protection jurisdictions participating in planning under this chapter shall appoint three elected officials to the authority planning committee. Members of the planning committee may receive compensation and may be reimbursed for travel and incidental expenses at the discretion of their respective governing body.
 - (3) A regional fire protection service authority planning committee may receive state funding, as appropriated by the legislature, or county funding provided by the affected counties for start-up funding to pay for salaries, expenses, overhead, supplies, and similar expenses ordinarily and necessarily incurred. Upon creation of a regional fire protection service authority, the authority shall within one year reimburse the state or county for any sums advanced for these start-up costs from the state or county.
 - (4) The planning committee shall conduct its affairs and formulate a regional fire protection service authority plan as provided under section 4 of this act.
 - (5) At its first meeting, a regional fire protection service authority planning committee may elect officers and provide for the adoption of rules and other operating procedures.
 - (6) The planning committee may dissolve itself at any time by a majority vote of the total membership of the planning committee. Any participating fire protection jurisdiction may withdraw upon thirty calendar days' written notice to the other jurisdictions.
- NEW SECTION. Sec. 4. PLANNING COMMITTEE DUTIES. (1) A regional fire protection service authority planning committee shall adopt a regional fire protection service authority plan providing for the

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- design, financing, and development of fire protection services. The planning committee may consider the following factors in formulating its plan:
 - (a) Land use planning criteria; and

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- (b) The input of cities and counties located within, or partially within, a participating fire protection jurisdiction.
 - (2) The planning committee may coordinate its activities with neighboring cities, towns, and other local governments that engage in fire protection planning.
 - (3) The planning committee shall:
- 11 (a) Create opportunities for public input in the development of the 12 plan;
 - (b) Adopt a plan proposing the creation of a regional fire protection service authority and recommending design, financing, and development of fire protection and emergency service facilities and operations, including maintenance and preservation of facilities or systems; and
- 18 (c) Recommend sources of revenue authorized by section 5 of this 19 act and a financing plan to fund selected fire protection service 20 projects.
 - (4) Once adopted, the plan must be forwarded to the participating fire protection jurisdictions' governing bodies to initiate the election process under section 6 of this act.
 - (5) If the ballot measure is not approved, the planning committee may redefine the selected regional fire protection service authority projects, financing plan, and the ballot measure. The fire protection jurisdictions' governing bodies may approve the new plan and ballot measure, and may then submit the revised proposition to the voters at a subsequent election or a special election. If a ballot measure is not approved by the voters by the third vote, the planning committee is dissolved.
- NEW SECTION. Sec. 5. TAXES AND FEES. (1) A regional fire protection service authority planning committee may, as part of a regional fire protection service authority plan, recommend the imposition of some or all of the following revenue sources, which a regional fire protection service authority may impose upon approval of the voters as provided in this chapter:

- (a) Benefit charges under sections 24 through 33 of this act;
- 2 (b) Property taxes under sections 15 through 18 and 20 of this act 3 and RCW 84.09.030, 84.52.010, 84.52.052, and 84.52.069; or
 - (c) Both (a) and (b) of this subsection.

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(2) Taxes and benefit charges may not be imposed unless they are identified in the regional fire protection service authority plan and approved by an affirmative vote of the majority of the voters within the boundaries of the authority voting on a ballot proposition as set forth in section 6 of this act. Revenues from these taxes and benefit charges may be used only to implement the plan as set forth in this chapter.

NEW SECTION. Sec. 6. SUBMISSION OF PLAN TO THE VOTERS. The governing bodies of two or more adjacent fire protection jurisdictions, upon receipt of the regional fire protection service authority plan under section 4 of this act, may certify the plan to the ballot, including identification of the tax options necessary to fund the plan. The governing bodies of the fire protection jurisdictions may draft a ballot title, give notice as required by law for ballot measures, and perform other duties as required to put the plan before the voters of the proposed authority for their approval or rejection as a single ballot measure that both approves formation of the authority and approves the plan. Authorities may negotiate interlocal agreements necessary to implement the plan. The electorate is the voters voting within the boundaries of the proposed regional fire protection service authority. A simple majority of the total persons voting on the single ballot measure to approve the plan, establish the authority, and approve the taxes is required for approval. The authority must act in accordance with the general election laws of the state. The authority is liable for its proportionate share of the costs when the elections are held under RCW 29.13.010 and 29.13.020.

31 NEW SECTION. Sec. 7. CERTIFICATION OF FORMATION. If the voters 32 approve the plan, including creation of a regional fire protection 33 service authority and imposition of taxes, if any, the authority is 34 formed. The appropriate county election officials shall, within 35 fifteen days of the final certification of the election results, 36 publish a notice in a newspaper or newspapers of general circulation in

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- 1 the authority declaring the authority formed. A party challenging the
- 2 procedure or the formation of a voter-approved authority must file the
- 3 challenge in writing by serving the prosecuting attorney of each county
- 4 within, or partially within, the regional fire protection service
- 5 authority and the attorney general within thirty days after the final
- 6 certification of the election. Failure to challenge within that time
- 7 forever bars further challenge of the authority's valid formation.
- 8 <u>NEW SECTION.</u> **Sec. 8.** BOARD ORGANIZATION AND COMPOSITION. (1) The 9 board shall adopt rules for the conduct of business. The board shall
- 10 adopt bylaws to govern authority affairs, which may include:
- 11 (a) The time and place of regular meetings;
- 12 (b) Rules for calling special meetings;
- 13 (c) The method of keeping records of proceedings and official acts;
- 14 (d) Procedures for the safekeeping and disbursement of funds; and
- 15 (e) Any other provisions the board finds necessary to include.
- 16 (2) The governing board shall be determined by the plan and consist
- 17 solely of elected officials.
- 18 <u>NEW SECTION.</u> **Sec. 9.** BOARD'S POWERS AND DUTIES. (1) The
- 19 governing board of the authority is responsible for the execution of
- 20 the voter-approved plan. Participating jurisdictions shall review the
- 21 plan every ten years. The board shall:
- 22 (a) Levy and impose taxes as authorized in the plan and approved by authority voters;
- 24 (b) Enter into agreements with federal, state, local, and regional
- 25 entities and departments as necessary to accomplish authority purposes
- 26 and protect the authority's investments;
- 27 (c) Accept gifts, grants, or other contributions of funds that will
- 28 support the purposes and programs of the authority;
- 29 (d) Monitor and audit the progress and execution of fire protection
- 30 service projects to protect the investment of the public and annually
- 31 make public its findings;
- 32 (e) Pay for services and enter into leases and contracts, including
- 33 professional service contracts;
- 34 (f) Hire, manage, and terminate employees; and
- 35 (g) Exercise other powers and duties as may be reasonable to carry
- 36 out the purposes of the authority.

- 1 (2) An authority may acquire, hold, or dispose of real property.
 - (3) An authority may exercise the powers of eminent domain.

- 3 (4) An authority may enforce fire codes as provided under chapter 4 19.27 RCW.
 - NEW SECTION. Sec. 10. TRANSFER OF RESPONSIBILITIES. (1) All powers, duties, and functions of a participating fire protection jurisdiction pertaining to providing fire protection services may be transferred, by resolution, to the regional fire protection service authority.
 - (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the participating fire protection jurisdiction pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the regional fire protection service authority. All real property and personal property including cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the participating fire protection jurisdiction in carrying out the powers, functions, and duties transferred shall be made available to the regional fire protection service authority. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the regional fire protection service authority.
 - (b) Any appropriations made to the participating fire protection jurisdiction for carrying out the powers, functions, and duties transferred shall, on the effective date of the resolution, be transferred and credited to the regional fire protection service authority.
 - (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the governing body of the participating fire protection jurisdiction shall make a determination as to the proper allocation.
 - (3) All rules and all pending business before the participating fire protection jurisdiction pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the regional fire protection service authority. All existing contracts and

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obligations shall remain in full force and shall be performed by the regional fire protection service authority.

- (4) The transfer of the powers, duties, functions, and personnel of the participating fire protection jurisdiction shall not affect the validity of any act performed before the effective date of the resolution.
- (5) If apportionments of budgeted funds are required because of the transfers directed by the resolution, the treasurer under section 18 of this act shall certify the apportionments.
- (6) Nothing contained in this section may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified as provided by law. RCW 35.13.215 through 35.13.235 apply to the transfer of employees under this section.
- NEW SECTION. **Sec. 11.** WITHDRAWAL. (1) As provided in this section, a regional fire protection service authority may withdraw areas from its boundaries.
 - (2) The withdrawal of an area is authorized upon: (a) Adoption of a resolution by the board requesting the withdrawal and finding that, in the opinion of the board, inclusion of this area within the regional fire protection service authority will result in a reduction of the district's tax levy rate under the provisions of RCW 84.52.010; or (b) adoption of a resolution by the city or town council approving the withdrawal, if the area is located within the city or town, or adoption of a resolution by the fire district or authorities of the fire district within which the area is located approving the withdrawal, if the area is located outside of a city or town. A withdrawal is effective at the end of the day on the thirty-first day of December in the year in which the resolutions under (b) of this subsection are adopted, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution.
- (3)(a) The authority of an area to be withdrawn from a regional fire protection service authority as provided under this section is in addition to, and not subject to, section 10(6) of this act.

(b) The withdrawal of an area from the boundaries of a regional fire protection service authority does not exempt any property therein from taxation for the purpose of paying the costs of redeeming any indebtedness of the fire protection district existing at the time of withdrawal.

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<u>NEW SECTION.</u> **Sec. 12.** DISSOLUTION--ELECTION. Any fire protection district within the authority may be dissolved by a majority vote of the registered electors of the district at an election conducted by the election officials of the county or counties in which the district is located in accordance with the general election laws of the state. The proceedings for dissolution may be initiated by the adoption of a resolution by the board. The dissolution of the district shall not cancel outstanding obligations of the district or of a local improvement district within the district, and the county legislative authority or authorities of the county or counties in which the district was located may make annual levies against the lands within the district until the obligations of the districts are paid. powers, duties, and functions of a dissolved fire protection jurisdiction within the authority boundaries, pertaining to providing fire protection services may be transferred, by resolution, to the regional fire protection service authority.

22 **Sec. 13.** RCW 57.90.010 and 1999 c 153 s 24 are each amended to 23 read as follows:

Water-sewer, park and recreation, metropolitan park, county rural library, cemetery, flood control, mosquito control, diking and drainage, irrigation or reclamation, weed, health, or fire protection districts, and any air pollution control authority or regional fire protection service authority, hereinafter referred to as "special districts," which are located wholly or in part within a county with a population of two hundred ten thousand or more may be disincorporated when the district has not actively carried out any of the special purposes or functions for which it was formed within the preceding consecutive five-year period.

NEW SECTION. Sec. 14. DEBT AND BONDING. Unless contrary to this section, chapter 39.42 RCW applies to debt and bonding under this

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section. The authority may borrow money, but may not issue any debt of its own for more than ten years' duration. An authority may issue notes or other evidences of indebtedness with a maturity of not more than twenty years. An authority may, when authorized by the plan, enter into agreements with the state to pledge taxes or other revenues of the authority for the purpose of paying in part or whole principal and interest on bonds issued by the authority. The contracts pledging revenues and taxes are binding for the term of the agreement, but not to exceed twenty-five years, and no tax pledged by an agreement may be eliminated or modified if it would impair the pledge of the agreement.

NEW SECTION. Sec. 15. (1) To carry out the purposes for which a regional fire protection service authority is created, as authorized in the plan and approved by the voters, the governing board of an authority may annually levy the following taxes:

- (a) An ad valorem tax on all taxable property located within the authority not to exceed fifty cents per thousand dollars of assessed value;
- (b) An ad valorem tax on all property located within the authority not to exceed fifty cents per thousand dollars of assessed value and which will not cause the combined levies to exceed the constitutional or statutory limitations. This levy, or any portion of this levy, may also be made when dollar rates of other taxing units are released by agreement with the other taxing units from their authorized levies; and
- (c) An ad valorem tax on all taxable property located within the authority not to exceed fifty cents per thousand dollars of assessed value if the authority has at least one full-time, paid employee, or contracts with another municipal corporation for the services of at least one full-time, paid employee. This levy may be made only if it will not affect dollar rates which other taxing districts may lawfully claim nor cause the combined levies to exceed the constitutional or statutory limitations or both.
- (2) Levies in excess of the amounts provided in subsection (1) of this section or in excess of the aggregate dollar rate limitations or both may be made for any authority purpose when so authorized at a special election under RCW 84.52.052. Any such tax when levied must be certified to the proper county officials for the collection of the tax as for other general taxes. The taxes when collected shall be placed

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in the appropriate authority fund or funds as provided by law, and must be paid out on warrants of the auditor of the county in which all, or the largest portion of, the authority is located, upon authorization of the governing board of the authority.

- (3) Authorities are additionally authorized to incur general indebtedness and to issue general obligation bonds for capital purposes as provided in section 14 of this act. Authorities may provide for the retirement of general indebtedness by excess property tax levies, when the voters of the authority have approved a proposition authorizing such indebtedness and levies by an affirmative vote of three-fifths of those voting on the proposition at such an election, at which election the total number of persons voting shall constitute not less than forty percent of the voters in the authority who voted at the last preceding state general election. Elections must be held as provided in RCW 39.36.050. The maximum term of any bonds issued under the authority of this section may not exceed ten years and must be issued and sold in accordance with chapter 39.46 RCW.
- 18 (4) For purposes of this section, the term "value of the taxable property" has the same meaning as in RCW 39.36.015.
 - NEW SECTION. Sec. 16. At the time of making general tax levies in each year, the county legislative authority or authorities of the county or counties in which a regional fire protection service authority is located shall make the required levies for authority purposes against the real and personal property in the authority in accordance with the equalized valuations of the property for general tax purposes and as a part of the general taxes. The tax levies are part of the general tax roll and must be collected as a part of the general taxes against the property in the authority.
- NEW SECTION. Sec. 17. In the event that lands lie within both a regional fire protection service authority and a forest protection assessment area they shall be taxed and assessed as follows:
- 32 (1) If the lands are wholly unimproved, they are subject to forest 33 protection assessments but not to authority levies;
- 34 (2) If the lands are wholly improved, they are subject to authority 35 levies but not to forest protection assessments; and

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(3) If the lands are partly improved and partly unimproved, they are subject both to authority levies and to forest protection assessments. However, upon request, accompanied by appropriate legal descriptions, the county assessor shall segregate any unimproved portions which each consist of twenty or more acres, and thereafter the unimproved portion or portions are subject only to forest protection assessments.

NEW SECTION. Sec. 18. It is the duty of the county treasurer of the county in which the regional fire protection service authority created under this chapter is located to collect taxes authorized and levied under this chapter. However, when a regional fire protection service authority is located in more than one county, the county treasurer of each county in which the authority is located shall collect the regional fire protection service authority's taxes that are imposed on property located within the county and transfer these funds to the treasurer of the county in which the majority of the authority lies.

Sec. 19. RCW 84.09.030 and 1996 c 230 s 1613 are each amended to read as follows:

Except as follows, the boundaries of counties, cities and all other taxing districts, for purposes of property taxation and the levy of property taxes, shall be the established official boundaries of such districts existing on the first day of March of the year in which the property tax levy is made.

The official boundaries of a newly incorporated taxing district shall be established at a different date in the year in which the incorporation occurred as follows:

(1) Boundaries for a newly incorporated city shall be established on the last day of March of the year in which the initial property tax levy is made, and the boundaries of a road district, library district, or fire protection district or districts, that include any portion of the area that was incorporated within its boundaries shall be altered as of this date to exclude this area, if the budget for the newly incorporated city is filed pursuant to RCW 84.52.020 and the levy request of the newly incorporated city is made pursuant to RCW 84.52.070. Whenever a proposed city incorporation is on the March

special election ballot, the county auditor shall submit the legal description of the proposed city to the department of revenue on or before the first day of March;

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- (2) Boundaries for a newly incorporated port district <u>or regional</u> <u>fire protection service authority</u> shall be established on the first day of October if the boundaries of the newly incorporated port district <u>or regional fire protection service authority</u> are coterminous with the boundaries of another taxing district <u>or districts</u>, as they existed on the first day of March of that year;
- (3) Boundaries of any other newly incorporated taxing district shall be established on the first day of June of the year in which the property tax levy is made if the taxing district has boundaries coterminous with the boundaries of another taxing district, as they existed on the first day of March of that year;
- (4) Boundaries for a newly incorporated water-sewer district shall be established on the fifteenth of June of the year in which the proposition under RCW 57.04.050 authorizing a water district excess levy is approved.

The boundaries of a taxing district shall be established on the first day of June if territory has been added to, or removed from, the taxing district after the first day of March of that year with boundaries coterminous with the boundaries of another taxing district as they existed on the first day of March of that year. However, the boundaries of a road district, library district, or fire protection district or districts, that include any portion of the area that was annexed to a city or town within its boundaries shall be altered as of this date to exclude this area. In any case where any instrument setting forth the official boundaries of any newly established taxing district, or setting forth any change in such boundaries, is required by law to be filed in the office of the county auditor or other county official, said instrument shall be filed in triplicate. The officer with whom such instrument is filed shall transmit two copies to the county assessor.

No property tax levy shall be made for any taxing district whose boundaries are not established as of the dates provided in this section.

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NEW SECTION. Sec. 20. A new section is added to chapter 84.52 RCW to read as follows:

- (1) If a fire protection district is a participating fire protection jurisdiction in a regional fire protection service authority, the regular property tax levies of the fire protection district are limited as follows:
- (a) The regular levy of the district under RCW 52.16.130 shall not exceed fifty cents per thousand dollars of assessed value of taxable property in the district less the amount of any levy imposed by the authority under section 15(1)(a) of this act;
- (b) The levy of the district under RCW 52.16.140 shall not exceed fifty cents per thousand dollars of assessed value of taxable property in the district less the amount of any levy imposed by the authority under section 15(1)(b) of this act; and
- (c) The levy of the district under RCW 52.16.160 shall not exceed fifty cents per thousand dollars of assessed value of taxable property in the district less the amount of any levy imposed by the authority under section 15(1)(c) of this act.
- (2) If a city or town is a participating fire protection jurisdiction in a regional fire protection service authority, the regular levies of the city or town shall not exceed the applicable rates provided in RCW 27.12.390, 52.04.081, and 84.52.043(1) less the aggregate rates of any regular levies made by the authority under section 15(1) of this act.
- (3) If a port district is a participating fire protection jurisdiction in a regional fire protection service authority, the regular levy of the port district under RCW 53.36.020 shall not exceed forty-five cents per thousand dollars of assessed value of taxable property in the district less the aggregate rates of any regular levies imposed by the authority under section 15(1) of this act.
 - (4) For purposes of this section, the following definitions apply:
- (a) "Fire protection jurisdiction" means a fire protection district, city, town, Indian tribe, or port district; and
- (b) "Participating fire protection jurisdiction" means a fire protection district, city, town, Indian tribe, or port district that is represented on the governing board of a regional fire protection service authority.

Sec. 21. RCW 84.52.010 and 2002 c 248 s 15 and 2002 c 88 s 7 are each reenacted and amended to read as follows:

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Except as is permitted under RCW 84.55.050, all taxes shall be levied or voted in specific amounts.

The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor shall recompute and establish a consolidated levy in the following manner:

(1) The full certified rates of tax levy for state, county, county road district, and city or town purposes shall be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy shall take precedence over all other levies and shall not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 84.52.069, 84.34.230, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, and 84.52.105, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies shall be reduced as follows: portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated; (b) if the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy

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imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, shall be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated; and (c) if the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

- (2) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property shall be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (a) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 shall be reduced on a pro rata basis or eliminated;
- (b) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts shall be reduced on a pro rata basis or eliminated;
- (c) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, shall be reduced on a pro rata basis or eliminated;
- (d) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, shall be reduced on a pro rata basis or eliminated;
- (e) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to regional fire protection service authorities under section 15(1) (b) and (c) of this act and fire protection districts under RCW 52.16.140 and 52.16.160 shall be reduced on a pro rata basis or eliminated; and

(f) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for regional fire protection service authorities under section 15(1)(a) of this act, fire protection districts under RCW 52.16.130, library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, shall be reduced on a pro rata basis or eliminated.

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In determining whether the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.050, exceeds the limitations provided in that section, the assessor shall use the hypothetical state levy, as apportioned to the county under RCW 84.48.080, that was computed under RCW 84.48.080 without regard to the reduction under RCW 84.55.012.

Sec. 22. RCW 84.52.052 and 2002 c 248 s 16 and 2002 c 180 s 1 are each reenacted and amended to read as follows:

The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW 84.52.043 shall not prevent the levy of additional taxes by any taxing district, except school districts and fire protection districts, in which a larger levy is necessary in order to prevent the impairment of the obligation of contracts. As used in this section, the term "taxing district" means any county, metropolitan park district, park and recreation service area, park and recreation district, water-sewer district, solid waste disposal district, public facilities district, flood control zone district, county rail district, service district, public hospital district, road district, rural county library district, island library district, rural partial-county library district, intercounty rural library district, cemetery district, city, town, transportation benefit district, emergency medical service district with a population density of less than one thousand per square mile, cultural arts, stadium, regional fire protection service authority, and convention district, or city transportation authority.

Any such taxing district may levy taxes at a rate in excess of the rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or 84.55.010 through 84.55.050, when authorized so to do by the voters of

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such taxing district in the manner set forth in Article VII, section 2(a) of the Constitution of this state at a special or general election to be held in the year in which the levy is made.

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A special election may be called and the time therefor fixed by the county legislative authority, or council, board of commissioners, or other governing body of any such taxing district, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

- 12 **Sec. 23.** RCW 84.52.069 and 1999 c 224 s 1 are each amended to read 13 as follows:
 - (1) As used in this section, "taxing district" means a county, emergency medical service district, city or town, public hospital district, urban emergency medical service district, regional fire protection service authority, or fire protection district.
 - (2) A taxing district may impose additional regular property tax levies in an amount equal to fifty cents or less per thousand dollars of the assessed value of property in the taxing district. shall be imposed (a) each year for six consecutive years, (b) each year for ten consecutive years, or (c) permanently. A tax levy under this section must be specifically authorized by a majority of at least three-fifths of the registered voters thereof approving a proposition authorizing the levies submitted at a general or special election, at which election the number of persons voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of registered voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the registered voters thereof voting on the proposition when the number of registered voters voting on the proposition exceeds forty percent of the total number of voters voting in such taxing district in the last preceding general election. Ballot propositions shall conform with RCW

29.30.111. A taxing district shall not submit to the voters at the same election multiple propositions to impose a levy under this section.

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- (3) A taxing district imposing a permanent levy under this section shall provide for separate accounting of expenditures of the revenues generated by the levy. The taxing district shall maintain a statement of the accounting which shall be updated at least every two years and shall be available to the public upon request at no charge.
- (4) A taxing district imposing a permanent levy under this section shall provide for a referendum procedure to apply to the ordinance or resolution imposing the tax. This referendum procedure shall specify that a referendum petition may be filed at any time with a filing officer, as identified in the ordinance or resolution. Within ten days, the filing officer shall confer with the petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the designated local official. The petitioner shall have thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the taxing district, as of the last general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The filing officer shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election within the taxing district if one is to be held within one hundred eighty days from the date of filing of the referendum petition, or at a special election to be called for that purpose in accordance with RCW 29.13.020.

The referendum procedure provided in this subsection shall be exclusive in all instances for any taxing district imposing the tax under this section and shall supersede the procedures provided under all other statutory or charter provisions for initiative or referendum which might otherwise apply.

(5) Any tax imposed under this section shall be used only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency medical care or emergency medical services.

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(6) If a county levies a tax under this section, no taxing district within the county may levy a tax under this section. If a regional fire protection service authority imposes a tax under this section, no other taxing district that is a participating fire protection jurisdiction in the regional fire protection service authority may levy a tax under this section. No other taxing district may levy a tax under this section if another taxing district has levied a tax under this section within its boundaries: PROVIDED, That if a county levies less than fifty cents per thousand dollars of the assessed value of property, then any other taxing district may levy a tax under this section equal to the difference between the rate of the levy by the county and fifty cents: PROVIDED FURTHER, That if a taxing district within a county levies this tax, and the voters of the county subsequently approve a levying of this tax, then the amount of the taxing district levy within the county shall be reduced, when the combined levies exceed fifty cents. Whenever a tax is levied countywide, the service shall, insofar as is feasible, be provided throughout the county: PROVIDED FURTHER, That no county-wide levy proposal may be placed on the ballot without the approval of the legislative authority of each city exceeding fifty thousand population within the county: AND PROVIDED FURTHER, That this section and RCW 36.32.480 shall not prohibit any city or town from levying an annual excess levy to fund emergency medical services: AND PROVIDED, FURTHER, That if a county proposes to impose tax levies under this section, no other ballot proposition authorizing tax levies under this section by another taxing district in the county may be placed before the voters at the same election at which the county ballot proposition is placed: AND PROVIDED FURTHER, That any taxing district emergency medical service levy that is limited in duration and that is authorized subsequent to a county emergency medical service levy that is limited in duration, shall expire concurrently with the county emergency medical service levy.

- (7) The limitations in RCW 84.52.043 shall not apply to the tax levy authorized in this section.
- 35 (8) If a ballot proposition approved under subsection (2) of this 36 section did not impose the maximum allowable levy amount authorized for 37 the taxing district under this section, any future increase up to the

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maximum allowable levy amount must be specifically authorized by the voters in accordance with subsection (2) of this section at a general or special election.

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- (9) The limitation in RCW 84.55.010 shall not apply to the first levy imposed pursuant to this section following the approval of such levy by the voters pursuant to subsection (2) of this section.
 - (10) For purposes of this section, the following definitions apply:
- 8 <u>(a) "Fire protection jurisdiction" means a fire protection</u>
 9 <u>district, city, town, Indian tribe, or port district; and</u>
- 10 (b) "Participating fire protection jurisdiction" means a fire
 11 protection district, city, town, Indian tribe, or port district that is
 12 represented on the governing board of a regional fire protection
 13 service authority.

NEW SECTION. Sec. 24. (1) The governing board of a regional fire protection service authority may by resolution, as authorized in the plan and approved by the voters, for authority purposes authorized by law, fix and impose a benefit charge on personal property and improvements to real property which are located within the authority on the date specified and which have received or will receive the benefits provided by the authority, to be paid by the owners of the properties. A benefit charge does not apply to personal property and improvements to real property owned or used by any recognized religious denomination or religious organization as, or including, a sanctuary or for purposes related to the bona fide religious ministries of the denomination or religious organization, including schools and educational facilities used for kindergarten, primary, or secondary educational purposes or for institutions of higher education and all grounds and buildings related thereto. However, a benefit charge does apply to personal property and improvements to real property owned or used by any recognized religious denomination or religious organization for business operations, profit-making enterprises, or activities not including use of a sanctuary or related to kindergarten, primary, or secondary educational purposes or for institutions of higher education. The aggregate amount of these benefit charges in any one year may not exceed an amount equal to sixty percent of the operating budget for the year in which the benefit charge is to be collected. It is the duty of the county legislative authority or authorities of the county or

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counties in which the regional fire protection service authority is located to make any necessary adjustments to assure compliance with this limitation and to immediately notify the governing board of an authority of any changes thereof.

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- (2) A benefit charge imposed must be reasonably proportioned to the measurable benefits to property resulting from the services afforded by the authority. It is acceptable to apportion the benefit charge to the values of the properties as found by the county assessor or assessors modified generally in the proportion that fire insurance rates are reduced or entitled to be reduced as the result of providing the Any other method that reasonably apportions the benefit services. charges to the actual benefits resulting from the degree of protection, which may include but is not limited to the distance from regularly maintained fire protection equipment, the level of fire prevention services provided to the properties, or the need of the properties for specialized services, may be specified in the resolution and is subject to contest on the grounds of unreasonable or capricious action or action in excess of the measurable benefits to the property resulting from services afforded by the authority. The governing board of an authority may determine that certain properties or types or classes of properties are not receiving measurable benefits based on criteria they establish by resolution. A benefit charge authorized by this chapter is not applicable to the personal property or improvements to real property of any individual, corporation, partnership, organization, or association maintaining a fire department and whose fire protection and training system has been accepted by a fire insurance underwriter maintaining a fire protection engineering and inspection service authorized by the state insurance commissioner to do business in this state, but the property may be protected by the authority under a contractual agreement.
- (3) For administrative purposes, the benefit charge imposed on any individual property may be compiled into a single charge, provided that the authority, upon request of the property owner, provide an itemized list of charges for each measurable benefit included in the charge.

<u>NEW SECTION.</u> **Sec. 25.** All personal property not assessed and subjected to ad valorem taxation under Title 84 RCW, all property under contract or for which the regional fire protection service authority is

receiving payment for as authorized by law, all property subject to chapter 54.28 RCW, and all property that is subject to a contract for services with an authority, is exempt from the benefit charge imposed 3 under this chapter. 4

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<u>NEW SECTION.</u> **Sec. 26.** (1) The resolution establishing benefit charges as specified in section 24 of this act must specify, by legal geographical areas or other specific designations, the charge to apply to each property by location, type, or other designation, or other information that is necessary to the proper computation of the benefit charge to be charged to each property owner subject to the resolution.

(2) The county assessor of each county in which the regional fire protection service authority is located shall determine and identify the personal properties and improvements to real property that are subject to a benefit charge in each authority and shall furnish and deliver to the county treasurer of that county a listing of the properties with information describing the location, legal description, and address of the person to whom the statement of benefit charges is to be mailed, the name of the owner, and the value of the property and improvements, together with the benefit charge to apply to each. These benefit charges must be certified to the county treasurer for collection in the same manner that is used for the collection of fire protection charges for forest lands protected by the department of natural resources under RCW 76.04.610 and the same penalties and provisions for collection apply.

<u>NEW SECTION.</u> **Sec. 27.** Each regional fire protection service authority shall contract, prior to the imposition of a benefit charge, for the administration and collection of the benefit charge by each county treasurer, who shall deduct a percentage, as provided by contract to reimburse the county for expenses incurred by the county assessor and county treasurer in the administration of the resolution and this chapter. The county treasurer shall make distributions each year, as the charges are collected, in the amount of the benefit charges imposed on behalf of each authority, less the deduction provided for in the contract.

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NEW SECTION. Sec. 28. (1) Notwithstanding any other provision in this chapter to the contrary, any benefit charge authorized by this chapter is not effective unless a proposition to impose the benefit charge is approved by a sixty percent majority of the voters of the regional fire protection service authority voting at a general election or at a special election called by the authority for that purpose, held within the authority. An election held under this section must be held not more than twelve months prior to the date on which the first charge is to be assessed. A benefit charge approved at an election expires in six years or fewer as authorized by the voters, unless subsequently reapproved by the voters.

(2) The ballot must be submitted so as to enable the voters favoring the authorization of a regional fire protection service authority benefit charge to vote "Yes" and those opposed to vote "No." The ballot question is as follows:

"Shall the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) be authorized to impose benefit charges each year for . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW . . . (section 15(1)(c) of this act)?

24 YES NO

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(3) Authorities renewing the benefit charge may elect to use the following alternative ballot:

"Shall the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) be authorized to continue voter-authorized benefit charges each year for . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW . . . (section 15(1)(c) of this act)?

36 YES NO

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- NEW SECTION. Sec. 29. (1) Not fewer than ten days nor more than 2 3 six months before the election at which the proposition to impose the 4 benefit charge is submitted as provided in this chapter, the governing board of the regional fire protection service authority shall hold a 5 public hearing specifically setting forth its proposal to impose 6 7 benefit charges for the support of its legally authorized activities 8 that will maintain or improve the services afforded in the authority. A report of the public hearing shall be filed with the county treasurer 9 10 of each county in which the property is located and be available for public inspection. 11
 - (2) Prior to November 15th of each year the governing board of the authority shall hold a public hearing to review and establish the regional fire protection service authority benefit charges for the subsequent year.
 - (3) All resolutions imposing or changing the benefit charges must be filed with the county treasurer or treasurers of each county in which the property is located, together with the record of each public hearing, before November 30th immediately preceding the year in which the benefit charges are to be collected on behalf of the authority.
- 21 (4) After the benefit charges have been established, the owners of 22 the property subject to the charge must be notified of the amount of 23 the charge.
- NEW SECTION. Sec. 30. A regional fire protection service authority that imposes a benefit charge under this chapter shall not impose all or part of the property tax authorized under section 15(1)(c) of this act.
- 28 NEW SECTION. Sec. 31. After notice has been given to the property 29 owners of the amount of the charge, the governing board of a regional 30 fire protection service authority imposing a benefit charge under this chapter shall form a review board for at least a two-week period and 31 32 shall, upon complaint in writing of an aggrieved party owning property 33 in the authority, reduce the charge of a person who, in their opinion, 34 has been charged too large a sum, to a sum or amount as they believe to 35 be the true, fair, and just amount.

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- NEW SECTION. Sec. 32. The Washington fire commissioners association, as soon as practicable, shall draft a model resolution to impose the regional fire protection service authority benefit charge authorized by this chapter and may provide assistance to authorities in the establishment of a program to develop benefit charges.
- NEW SECTION. Sec. 33. A person who is receiving the exemption contained in RCW 84.36.381 through 84.36.389 is exempt from any legal obligation to pay a portion of the benefit charge imposed under this chapter as follows:
- (1) A person who meets the income limitation contained in RCW 84.36.381(5)(a) and does not meet the income limitation contained in RCW 84.36.381(5)(b) (i) or (ii) is exempt from twenty-five percent of the charge;
- 14 (2) A person who meets the income limitation contained in RCW 84.36.381(5)(b)(i) is exempt from fifty percent of the charge; and
- 16 (3) A person who meets the income limitation contained in RCW 84.36.381(5)(b)(ii) shall be exempt from seventy-five percent of the charge.
- 19 <u>NEW SECTION.</u> **Sec. 34.** CAPTIONS. Captions used in this act are 20 not any part of the law.
- NEW SECTION. Sec. 35. CODIFICATION. Sections 1 through 12, 14 through 18, and 24 through 33 of this act constitute a new chapter in Title 52 RCW.
- NEW SECTION. Sec. 36. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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